



Phillips Lytle LLP

**VIA FEDERAL EXPRESS AND
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May 17, 2007

Hon. Stephen C. Robinson
United States District Court
Southern District of New York
300 Quarropas Street
White Plains, New York 10601

Re: State of New York v. HSBC Bank USA, N.A.
Civ. No. 07-CV 3160 (SCR)

Dear Judge Robinson:

We represent defendant HSBC Bank USA, N. A. ("HSBC") in connection with the above-captioned action brought against it by the State of New York. HSBC joins in the State's request that the Court approve and enter the consent decree that was recently submitted to the Court for its consideration. As noted in the consent decree, HSBC denies the State's allegations of wrongdoing and disputes that it is liable to the State under any of the claims set forth in the Complaint. HSBC and the State, however, engaged in extensive settlement negotiations over several months and finally entered into the subject consent decree based on a consideration of a number of relevant factors.

The subject matter of the State's claims in the Complaint fall within the Court's jurisdiction. The decree is fair, lawful, reasonable, and consistent with public policy as reflected in the State and Federal environmental laws under which the State's claims are brought. For these reasons, HSBC respectfully requests the Court approve the proposed consent decree.

ATTORNEYS AT LAW

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We are available at the Court's convenience to respond to any questions regarding the consent decree.

Respectfully submitted,

PHILLIPS LYTTLE LLP

A handwritten signature in black ink, appearing to read "Michael C. Foley", written over a horizontal line.

Michael C. Foley

Kevin M. Hogan

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CC: Maureen F. Leary,
NYS Assistant Attorney General
(By Federal Express)